

Message Text

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45 46

ACTION XMB-04

INFO OCT-01 EUR-12 ISO-00 CIAE-00 INR-07 NSAE-00 RSC-01

EB-07 /032 W

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P 061736Z FEB 75

FM AMEMBASSY LONDON

TO SECSTATE WASHDC PRIORITY 8029

INFO USDOC WASHDC PRIORITY

UNCLAS LONDON 01905

C O R R E C T E D C O P Y (STATE CORRECTED TO READ AS ACTION
VICE INFO)

E.O. 11652: N/A

TAGS: BPRO

SUBJECT: FCIA CREDIT INSURANCE REQUEST TO COVER SALE OF
AUTOMOTIVE ENGINES, TRANSMISSIONS AND COMPONENT PARTS TO
JENSEN MOTORS LTD.

REF: STATE 18476 & LONDON 1601

1. INFO BELOW MAY BE USED TO RESPOND TO EXIM REQUEST
PER REFTEL AND ALSO FOR PURPOSES OF WTDR ON SUBJECT FIRM:

2. ADDRESS: KELVIN WAY, WEST BROMWICH B70 7JU. CABLE:
EXPERT WEST BROMWICH. TELEX: 33526. PHONE: 021 553
1891. OFFICER: KJELL HAMMON QVALE, CHAIRMAN AND
MANAGING DIRECTOR.

3. FINANCIAL REFERENCE: BANK OF AMERICA, CAVENDISH
HOUSE, WATERLOO STREET, P.O. BOX 23, BIRMINGHAM 2.

4. OLD-ESTABLISHED AND WELL-KNOWN MANUFACTURER OF
LUXURY SALOON AND SPORTS CARS MARKETED UNDER THE BRAND
NAMES "INTERCEPTOR" AND "JENSEN-HEALEY". FORMERLY
CONTROLLED BY WM. BRANDT'S & SONS LTD., MERCHANT
BANKERS, OF LONDON, IN 1970 A MAJORITY INTEREST IN
SUBJECT WAS ACQUIRED BY KJELL H. QVALE, A U.S. BUSINESS-
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MAN OF SAN FRANCISCO, CALIFORNIA, WHO IS ALSO UNDERSTOOD

TO BE A DIRECTOR OF JENSEN MOTORS INC., OF COMPTON, CALIFORNIA, BRITISH MOTOR CAR DISTRIBUTORS LTD., OF SAN FRANCISCO, CALIFORNIA, AND MID WEST JENSEN DISTRIBUTORS INC., OF ILLINOIS. ACCORDING TO RECENT PRESS REPORTS, FIRM IS PLANNING A 50 PERCENT CUTBACK IN CURRENT PRODUCTION LEVELS OF 25 INTERCEPTORS AND 110 JENSEN-HEALEYS A WEEK, AS WELL AS A REDUCTION IN WORKFORCE OF BETWEEN 200 AND 400 BEFORE THE END OF FEBRUARY, THE REASON GIVEN BEING THE FALLING OFF IN U.S. SALES, WHICH IT IS UNDERSTOOD ACCOUNT FOR MORE THAN HALF THE INTERCEPTORS PRODUCED AND 85 OF THE SMALLER HEALEY CARS. WITH THE PLANNED REDUCTION IN STAFF AND PRODUCTION IN MIND, IT IS UNDERSTOOD THE COMPANY WAS NOT ANTICIPATING ANY SERIOUS TROUBLES BUT THERE WAS A NEED TO RATIONALIZE IN ORDER TO AVOID A BUILD-UP OF UNNECESSARY STOCK. FIRM'S HEADQUARTERS, CONSISTING OF FACTORY, OFFICE AND SERVICE PREMISES, ARE LOCATED IN WEST BROMWICH. IT HAS AGENTS AND DISTRIBUTORS THROUGHOUT THE U.K., EUROPE, THE CHANNEL ISLAND, REPUBLIC OF IRELAND, HONG KONG, JAPAN, AUSTRALIA, NEW ZEALAND, BAHRAIN, AND BEIRUT. TURNOVER FOR THE YEAR ENDED APRIL 1973 WAS 8.24 MILLION POUNDS, WITH A PRE-TAX PROFIT OF 4,300 POUNDS. FIGURES FOR 1974 HAVE NOT YET BEEN PUBLISHED, BUT IT IS UNDERSTOOD TURNOVER WAS IN THE REGION OF 11.35 MILLION POUNDS; PROFITS ARE UNKNOWN. A USUALLY INFORMED TRADE SOURCE REPORTS THAT FIRM IS GENERALLY PROMPT IN ITS SETTLEMENTS, ALTHOUGH OF LATE THERE HAVE BEEN INSTANCES OF SLOW PAYMENTS, AND CONSIDERS IT TRUSTWORTHY FOR ITS NORMAL, AT TIMES LARGE DEALINGS. HOWEVER, WIDESPREAD CASH FLOW SHORTAGES EXIST IN THE AUTOMOTIVE INDUSTRY AT THE PRESENT TIME. THEREFORE, MORE THAN NORMAL CAUTION SHOULD BE OBSERVED IN DEALING WITH FIRMS IN THIS SECTOR.

6. EMBASSY PERCEIVES NO OBJECTION ON POLITICAL OR OTHER GROUNDS TO FAVORABLE EXIM CONSIDERATION.

7. DATE OF INFO: 2-75.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 06 FEB 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975LONDON01905
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750046-0022, D750044-0219
From: LONDON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750267/aaaachzs.tel
Line Count: 97
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION XMB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 75 STATE 18476, 75 & LONDON 1601
Review Action: RELEASED, APPROVED
Review Authority: CunninFX
Review Comment: n/a
Review Content Flags:
Review Date: 23 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <23 APR 2003 by McShalBA>; APPROVED <22 JAN 2004 by CunninFX>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FCIA CREDIT INSURANCE REQUEST TO COVER SALE OF AUTOMOTIVE ENGINES, TRANSMISSIONS AND COMPONENT PARTS TO
TAGS: BPRO
To: STATE COM
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006